

264 THE REGULATION OF THE CURRENCY

abolish the equipment with which he has already provided industry. But if we make his life too hard he can strike like the rest of us, and by refusing to provide for any further expansion in industrial equipment, he can hold up production until we have devised some new method of laying up capital.

Currency depreciation is good for the debtor and bad for the creditor; if it goes too far it kills the creditor and reduces business to chaos.

We are a very long way from the chaos to which many of our Continental neighbours have already reduced their monetary systems; but there is fortunately a very general feeling that we are a country with a reputation and a prestige on this point, and the business world is growing restive concerning the delay on the part of those responsible in putting an end to a state of things which may have been justified by the war's exigencies (though there is much to be said for the view that in fact it only added to the war's difficulties) but is now clearly as out of date as the censorship, which, like it, nevertheless, continues to flourish. This state of things arises from the arrangement under which an unlimited supply of legal tender currency can be manufactured by the Government, which encouraged to continue the system by the fact that each note issued is in effect a loan to itself without interest, At the meeting of Barclays Bank on

January 27th,
Mr Goodenough demanded that the issue
of currency
notes by the Government should be
stopped forth-
with, and that if it were necessary to
provide more
currency it would be better for the
banks to be